

ANNUAL EFFICIENCY STATEMENT 2015-16

1. EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to present the Council's Annual Efficiency Statement to Council for noting.
- 1.2 Local Authorities are required to complete and publish an Annual Efficiency Statement that summarises the total efficiencies achieved in the last financial year, along with summary detail on some of the main ways the Council is delivering efficiency savings.
- 1.3 The Council must submit their 2015-16 Annual Efficiency Statement to COSLA by Friday 19 August 2016.
- 1.4 The Council has achieved £7.388m in efficiency savings for 2015-16 which exceeds the target requirement of £5.294m.

ANNUAL EFFICIENCY STATEMENT 2015-16

2. INTRODUCTION

- 2.1 Local Authorities are required to complete and publish an Annual Efficiency Statement that summarises the total efficiencies achieved in the last financial year. The Annual Efficiency Statement for 2015-16 is attached as an appendix to this report for noting.

3. RECOMMENDATIONS

- 3.1 Council to note the contents of the Annual Efficiency Statement for 2015-16.

4. DETAIL

- 4.1 For 2015-16, the Scottish Government expects every public body to deliver efficiency savings of at least 3% and to report publicly on the actions undertaken and the results achieved. Council's must publish an Annual Efficiency Statement each year. The Annual Efficiency Statement is attached as an appendix to this report and has been prepared in accordance with the guidance issued by COSLA.
- 4.2 The 3% efficiency savings are calculated based on departmental expenditure limit (DEL). Income from Non-Domestic Rates (NDR) is annually managed expenditure so falls outwith DEL. The Scottish Government funding for the Council for 2015-16 was £204.313m. The NDR element of the funding amounted to £27.840m giving funding excluding NDR of £176.473m. This gives rise to a 3.00% efficiency savings target of £5.294m. The total efficiency saving achieved for 2015-16 was 4.19%, £7.388m as outlined in the attached statement and this exceeds the target saving.
- 4.3 Arrangements continue to be in place to monitor and report on progress with efficiency savings through the Planning and Performance Management Framework and Performance Scorecards.

5. CONCLUSION

- 5.1 The Council achieved its efficiency savings target for 2015-16.

6. IMPLICATIONS

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| 6.1 | Policy – | None. |
| 6.2 | Financial - | The Council has achieved its efficiency target for 2015-16. |
| 6.3 | Legal - | None. |
| 6.4 | HR - | Individual efficiency savings may have had human resource implications and these would have been discussed with the Trade Unions. |
| 6.5 | Equalities - | Individual efficiency savings may have had equality implications and equality impact assessments would have been carried out where required. |
| 6.6 | Risk - | None. |
| 6.7 | Customer Service - | Individual efficiency savings may have had customer service implications. |

Councillor Dick Walsh, Council Leader - Policy Lead Strategic Finance

**Kirsty Flanagan
Head of Strategic Finance
16 June 2016**

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APPENDICES

Appendix 1 – Annual Efficiency Statement 2015-16

CONFIRMATION OF EFFICIENCIES DELIVERED IN 2015-16

1	Local Authority Name	Argyll and Bute Council
2	Total cash efficiency achieved for 2015-16 £'000	£7,388,134 (4.19%)
3	<p>Summary of efficiency activity e.g.</p> <p>The main initiatives the local authority has taken over the year to ensure a strategic approach to increased efficiency and productivity and the improvements achieved in these areas.</p> <p>The main information that the local authority uses to assess productivity, service quality and performance and how the scope, usefulness or reliability has been improved during the year.</p> <p>Specific steps the local authority has taken during the year to improve collaboration and joint working to deliver efficient and user-focussed services and the improvements achieved.</p>	<p>The Council set an efficiency savings target as part of the 2015-16 budget.</p> <p>The Council continues to explore opportunities for asset rationalisation, both offices and depots.</p> <p>The Council has a number of shared services/joint working arrangements in place.</p> <p>These include;</p> <ul style="list-style-type: none"> • shared scientific services, • shared contract in relation to ICT wide area network, • shared services in relation to archaeology • shared arrangements with Highland Council to carry out Road Safety Audits, • joint working in respect of the effects of welfare reform • jointly worked with all 32 Local Authorities to procure under a single contract Road Condition Index (RCI) surveys. • jointly worked with 12 Local Authorities in the west of Scotland to produce a Road Inspections Manual. • jointly procured, with 12 Local Authorities in the west of Scotland, a weather forecasting service. • joint working with Police Scotland for antisocial noise and an agreement in place with 7 other local authorities to use our mobile anthrax incinerator. • exploring joint working possibilities with the NHS, holding a number of workshops covering procurement, ICT and Fleet management. <p>The Council have a Planning and Performance Management Framework which is outcome based. Each Council service has their own performance scorecard measuring their service outcomes, which link to the Council's corporate outcomes.</p>

		<p>In addition to the efficiencies and savings delivered by shared services and joint working, the Council has also delivered Financial Management savings in the following areas.</p> <ul style="list-style-type: none"> • Switching Fleet vehicles replacement from Leasing to Capital purchase. • Managing cashflow effectively to delaying external borrowing to obtain beneficial rates. • Securing a loyalty payment on the refinancing of the NPDO schools projects.
4	<p>Breakdown of efficiency saving by Procurement, Shared Services or Asset Management £'000 (only where relevant – not all efficiencies will fall into these categories, so the figures here do not have to match the overall total.</p>	<p>Procurement = £1,245,349 The Council continues to ensure procurement savings are achieved by utilising contracts appropriately and by carrying out our own procurement exercises to achieve best value for the Council. Heads of Service and Procurement Action Managers are working together to achieve targets and ensure as much spend as possible is put through systems to obtain better spend information in the future.</p> <p>Shared Services = Noted in Section 3 There are a number of joint working arrangements which have previously given rise to efficiency savings and which continue to add value as noted in Section 3 above.</p> <p>Asset Management = No new savings during 2015-16 The Council continues to explore opportunities to rationalise its asset base working on its own and with Community Planning Partners. It has set a target of a cumulative reduction in Gross Internal Floor Area occupied of 15% and, to date, has achieved a 17% reduction. This is mainly as a result of office rationalisation in the towns of Campbeltown, Helensburgh, Lochgilphead and Oban and has been achieved through the adoption of the updated space standards associated with the Workforce Deployment Project, the associated termination of leases for leased in offices and the disposal of surplus office accommodation. Through this, the Council has delivered recurring savings of circa £130,000. In addition, the Council is moving forward with a Depot Rationalisation project, having recently completed the first phase in Helensburgh. The latest initiative is being taken forward in collaboration with Community Planning Partners wherein, with the assistance of the</p>

		Scottish Futures Trust, a Place Based Review is being piloted within Dunoon to determine further opportunities for rationalisation of assets.
5	Evidence: What performance measures and/or quality indicators are used to ensure that efficiencies were achieved without any detriment to services?	<p>A high level approach to verifying performance has been taken using the service outcomes on the service performance scorecards. The service outcomes are measured using the key success measures for ongoing service delivery in important areas of the Councils business. On this basis they can be assumed to represent quality and delivery in key service areas. The service outcomes are classified as red or green where green represents on target and red is off target. There is also an amber classification which indicates that more than half of the actions within the service outcome are on track. If the service outcomes are predominately classed as green or amber then this indicates the standards for service quality and delivery are being achieved.</p> <p>As at March 2016, out of 76 service outcomes, 68 were either green or amber and 8 were red. This indicates that service quality is at the standards specified in the service plan and on this basis the efficiency savings have not had a negative impact on service delivery.</p>

Signed

Cleland Sneddon, Chief Executive

Signed

Dick Walsh, Council Leader

Date: 30 June 2016